

India may ask exporters to boycott KLM to deter EU for holding up drug cargo

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Even as the Indian government is planning to file a complaint with World Trade Organisation (WTO) against the European Union (EU) on the issue of seizure of Indian drug shipments at EU ports, the government is also exploring other options to pressurise the EU nations to change the patent laws, amended some time back, to make them more stringent.

According to sources, the Union Commerce Ministry is contemplating to motivate the pharmaceutical exporters in the country not to send their cargo through KLM Airlines of Netherlands as a retaliatory measure against that country. It may be noted that Netherlands has been one of the EU countries which has been seizing Indian drug shipments at its ports on charges of counterfeit/patent infringement. For instance, the customs authorities at Rotterdam in the Netherlands had some months back seized shipments of the generic drug losartan, which was manufactured in India and was in transit to Brazil. Losartan, indicated to treat high blood pressure, is not under patent protection either in India or Brazil.

Due to its competitive prices, most of the Indian pharmaceutical exporters have been using the services of KLM Airlines to send their cargo to Latin American and African countries. As the volume is quite large, if the Indian pharmaceutical exporters take the retaliatory measures in this regard, it will be a huge loss to the Netherlands company, sources said.

The Indian government's contemplation in this regard comes in the wake of near total collapse of all efforts at different international forums to find an amicable solution to the nagging issue. The entire issue was triggered last year when the EU countries began implementing local patent rules rigidly some months back. These EU rules stipulate that any product patent that has been granted in EU countries, if being transported through their countries, is also liable for confiscation under their patent law.

Though the country had engaged in hectic negotiations at different international forums during the last several months to find an amicable solution to this vexed issue, there have been no desired results with no abatement in the seizure of Indian drug shipments at different EU ports. There were several instances of seizures by EU/US Custom authorities of the Indian generic medicines in transit to various developing countries in Latin America and Africa on the grounds of counterfeit/patent infringement, patent litigations in US courts, etc.

The government so far failed to cut much ice with the EU authorities in relaxing regulations on patent and trade mark issues so that at least the drug shipments on transit cannot be seized at the EU ports on charges of counterfeiting and patents

infringement. Though the government had provided data of Indian drug shipments which were seized at EU ports, the EU authorities have so far defended their action.